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SENATE BILL 945

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Joseph A. Fidel

AN ACT

RELATING TO TAXATION; PROVIDING FOR A PROPERTY TAX EXEMPTION FOR CERTAIN HEALTH-RELATED EQUIPMENT; PROVIDING A COMPENSATING TAX EXEMPTION FOR THE USE OF PROPERTY BY THE NEW MEXICO HOSPITAL EQUIPMENT LOAN COUNCIL; PROVIDING A GROSS RECEIPTS TAX DEDUCTION AND A GOVERNMENTAL GROSS RECEIPTS TAX DEDUCTION FOR RECEIPTS FROM SELLING CERTAIN PROPERTY TO THE COUNCIL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-36-3 NMSA 1978 (being Laws 1975, Chapter 218, Section 1, as amended) is amended to read:

"7-36-3. INDUSTRIAL REVENUE BOND, POLLUTION CONTROL BOND AND ECONOMIC DEVELOPMENT BOND PROJECT PROPERTY- - HEALTH-RELATED EQUIPMENT TAX STATUS. --

A. Property interests of a lessee in project property held under a lease from a county or a municipality

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1 under authority of an industrial revenue bond or pollution
2 control revenue bond act or the Statewide Economic Development
3 Finance Act are exempt from property taxation for as long as
4 there is an outstanding bonded indebtedness under the terms of
5 the revenue bonds issued for the acquisition of the project
6 property, but in no event for a period of more than thirty
7 years from the date of execution of the first lease of the
8 project to the lessee by the county or municipality.

9 B. Property interests of a person, other than a
10 public utility, arising out of the purchase of a project
11 authorized by the Industrial Revenue Bond Act, the County
12 Industrial Revenue Bond Act, the Pollution Control Revenue Bond
13 Act or the Statewide Economic Development Finance Act are
14 exempt from property taxation for as long as the project
15 purchaser remains liable to the project seller for any part of
16 the purchase price, but not to exceed thirty years from the
17 date of execution of the sale agreement.

18 C. Property interests of a participating health
19 facility in health-related equipment purchased, acquired,
20 financed or refinanced with the proceeds of bonds issued under
21 the Hospital Equipment Loan Act are exempt from property
22 taxation for as long as the participating health facility
23 remains liable under any lease, loan or other agreement
24 securing the bonds, but not to exceed thirty years from the
25 date of the bonds first issued for the health-related

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1 equipment.

2 ~~[C-]~~ D. The exemptions from property taxation under
3 ~~[Subsections A and B of]~~ this section are not cumulative. "

4 Section 2. Section 58-23-5 NMSA 1978 (being Laws 1983,
5 Chapter 290, Section 5, as amended) is amended to read:

6 "58-23-5. COUNCIL--CREATED--MEMBERS--QUALIFICATIONS--
7 BOARD.--

8 A. There is created a public body politic and
9 corporate, separate and apart from the state, constituting a
10 governmental instrumentality to be known as the "New Mexico
11 hospital equipment loan council" for the performance of
12 essential public functions.

13 B. The council shall be governed by a board of
14 directors consisting of five members. The governor, with the
15 advice and consent of the senate, shall appoint the members of
16 the board.

17 C. Each member of the board shall be a resident of
18 the state, and in addition:

19 (1) two members shall be officers or directors
20 of financial institutions located in New Mexico;

21 (2) two members shall be officers or directors
22 of a health facility located in New Mexico. Such members shall
23 have been employed for a total of five years as officers or
24 directors of any health facility;

25 (3) one member shall be appointed from and

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1 represent the public and shall not be directly or indirectly
2 affiliated with any health facility; and

3 (4) no more than three members shall be of the
4 same political party.

5 D. The council shall be separate and apart from the
6 state and shall not be subject to the supervision or control of
7 any board, bureau, department or agency of the state except as
8 specifically provided in the Hospital Equipment Loan Act. In
9 order to effectuate the separation of the state from the
10 council, no use of the terms "state agency" or
11 "instrumentality" in any other law of the state shall be deemed
12 to refer to the council unless the council is specifically
13 referred to therein, except as provided in Subsections E and F
14 of this section.

15 E. The council shall be an instrumentality of the
16 state for the purposes of the exemption from compensating tax
17 provided in Section 7-9-14 NMSA 1978 and the deduction from
18 gross receipts tax and governmental gross receipts tax provided
19 in Section 7-9-54 NMSA 1978.

20 F. The council is a state agency and
21 instrumentality for the purposes of Article 8, Section 3 of the
22 constitution of New Mexico."

23 Section 3. Section 58-23-29 NMSA 1978 (being Laws 1983,
24 Chapter 290, Section 29, as amended) is amended to read:

25 "58-23-29. EXEMPTION FROM TAXATION-- ASSETS TO STATE UPON

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DISSOLUTION. - -

A. All property acquired or held by the council under the Hospital Equipment Loan Act, income therefrom and bonds issued under the Hospital Equipment Loan Act, plus the interest payable and income derived from the bonds, shall be exempt from taxation by the state or any subdivision thereof. Upon dissolution of the council, its assets, after payment of its indebtedness, shall inure to the benefit of the state.

B. All health-related equipment purchased, acquired, leased, financed or refinanced by the proceeds of bonds issued pursuant to the provisions of the Hospital Equipment Loan Act is exempt from property taxation for as long as the participating health facility remains liable under any lease, loan or other agreement securing the bonds, but not to exceed thirty years from the date of the bonds first issued for the health-related equipment. "